

HOUSE JOINT RESOLUTION 445
By Rinks

A RESOLUTION urging the Supreme Court to adopt rules allowing officers of small corporations, limited liability corporations and limited liability partnerships to represent such entities in General Sessions Court for small debt collection.

WHEREAS, General Sessions Court is the forum in which individuals pursue judgments on small claims against others, including small debts owed to individuals or companies; and

WHEREAS, individuals and certain types of companies, such as sole proprietors and partnerships, can pursue debt in General Sessions Court without being represented by an attorney; and

WHEREAS, the rules of the Supreme Court require that all corporations, limited liability corporations and limited liability partnerships seeking judgment in General Sessions Court be represented by an attorney; and

WHEREAS, the requirement to hire an attorney necessitates a monetary payment by

the corporation, limited liability corporation or limited liability partnership, thus negating some cost-effectiveness in using General Sessions Court as a forum for debt recovery, and thus restricting the access of the corporation, limited liability corporation or limited liability partnership to General Sessions Court; and

WHEREAS, it is increasingly difficult for small corporations, limited liability corporations or limited liability partnerships to find competent or willing counsel to represent the corporations in General Sessions Court in cases of recovery of small debts; and

WHEREAS, the officers of small corporations, limited liability corporations and limited liability partnerships are usually the primary or sole stockholders of such corporations;

WHEREAS, the Tennessee Supreme Court, through its rule-making authority, determines who can practice law in the courts of the State of Tennessee; and

WHEREAS, there are currently rules allowing people other than attorneys to practice law in General Sessions Court; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED THIRD GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE CONCURRING, that the General Assembly urges the Supreme Court to promulgate rules that would allow an officer of a small corporation, limited liability corporation or limited liability partnership to represent the corporation, limited liability corporation or limited liability partnership in General Sessions Court for the purposes of debt recovery;

BE IT FURTHER RESOLVED, that the rules incorporate specific guidelines that protect the integrity of the Court by specifying that the corporate officer cannot represent the corporation in General Sessions Court for any other reason; that the maximum amount of debt that can be pursued in such a case be limited up to the amount of \$2,500; that the corporation, limited liability corporation or limited liability partnership have no more than ten employees; that the corporate officer be familiar with the local rules of court; and that the officer of the corporation certify that the above is true.

BE IT FUTHER RESOLVED, that the statute on sworn accounts in § 24-5-107 may provide guidance as a type of mechanism the Court could use for the certification of the above requirements;

BE IT FURTHER RESOLVED, that an appropriate copy of this resolution be prepared and sent to the Tennessee Supreme Court with this final clause omitted from such copy.